

## **Program H: Washington-St. Tammany Regional Medical Center**

Program Authorization: Act 210 of 1948 and Act 3 of 1997

### **PROGRAM DESCRIPTION**

The mission of the Washington-St. Tammany Regional Medical Center is to provide the same level of quality care to all patients of all ages served in a timely manner. Each patient is treated with concern, respect, and courtesy in a professional and confidential manner. The care shall be consistent with generally accepted standards of health care delivery. The Washington-St. Tammany Regional Medical Center shall strive to create a safe, risk-free environment for patients, visitors and employees. The facility is committed to continuously assessing and improving the quality of care delivered.

The goals of Washington-St. Tammany Regional Medical Center are:

1. Prevention: To provide health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: To integrate health delivery network with internal and external community partners.
3. Performance: To improve management information systems and fiscal accountability.

Washington-St. Tammany Regional Medical Center in Bogalusa, which opened in 1951, is an acute care facility providing quality medical care for the population of Washington and St. Tammany parishes. The facility provides acute and primary general medical and specialty services and critical care to the indigent, uninsured, Medicare, and Medicaid patients of the hospital's service area. The hospital provides additional support functions such as pharmacy; blood bank; respiratory therapy; anesthesiology; and various diagnostic services and other support functions of a non-medical nature, such as administration; maintenance; housekeeping; mail service; purchasing; accounting; and admissions and registration. The facility also maintains a stipend program for medical residents and contracts for physician and anatomical services and works cooperatively with medical schools and other health education institutions to broaden the opportunity for clinical training in the hospital. The hospital is currently staffed for 54 beds.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To continue to provide professional, quality, acute general medical and specialty services to patients in the hospital and maintain the average length of stay of 5.5 days for patients admitted to the hospital.

Strategic Link: *This objective reflects the movement toward the achievement of the 1998-2002 Health Care Services Division (HCSD) Strategic Plan Goal 1: Implement initiatives to improve effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of staffed beds <sup>1</sup>	55	54	51 <sup>2</sup>	51 <sup>2</sup>	54	54
K	Average daily census <sup>3</sup>	Not applicable <sup>4</sup>	28	Not applicable <sup>5</sup>	28 <sup>6</sup>	28	28
K	Emergency department visits	24,091	22,439	25,868 <sup>2</sup>	25,868 <sup>2</sup>	21,540	21,540
S	Total outpatient encounters	57,954	58,220	49,173 <sup>2</sup>	49,173 <sup>2</sup>	61,330	61,330
K	Percentage of gross revenue that is outpatient revenue (current year)	Not applicable <sup>4</sup>	51.97%	Not applicable <sup>5</sup>	50.43% <sup>6</sup>	49.48%	49.48%
S	Number of staff per patient	Not applicable <sup>4</sup>	5.24 <sup>7</sup>	Not applicable <sup>5</sup>	5.40 <sup>7</sup>	5.56 <sup>7</sup>	5.56
S	Average length of stay for inpatients	5.4 <sup>4</sup>	5.5	4.9	4.9	5.5	5.5
K	Cost per adjusted discharge <sup>8</sup>	Not applicable <sup>4</sup>	\$3,965	\$4,233	\$4,233	\$4,465 <sup>9</sup>	\$4,465
K	Readmission rates	Not applicable <sup>4</sup>	Not available <sup>7</sup>	Not applicable <sup>5</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>
S	Patient satisfaction survey rating	Not applicable <sup>4</sup>	Not available <sup>7</sup>	Not applicable <sup>5</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>	Not available <sup>7</sup>
K	JCAHO/HCFA accreditation	Not applicable <sup>4</sup>	100%	99%	99%	100% <sup>10</sup>	100%
K	Salaries and benefits as a percent of total operating expenses <sup>8</sup>	Not applicable <sup>4</sup>	56.90%	58.77%	58.77%	58.87%	58.87%
S	Percentage change in gross outpatient revenue as a percent of total revenue	Not applicable <sup>4</sup>	-2.48%	Not applicable <sup>5</sup>	-2.96%	-1.88%	-1.88%

<sup>1</sup> Staffed beds is consistent with the American Health Association's definition of available beds.

<sup>2</sup> HCSD had earlier planned to absorb the FY 2000 \$40 million budget shortfall entirely in inpatient days. The impact of such a course of action would have been a wholesale reduction in the number of staffed beds, reducing inpatient days, reducing clinic visits and increasing emergency department visits, because of loss of staff. Performance standards shown in the Executive Budget were adjusted in anticipation of this course of action. Since the standards adjustment occurred, HCSD offset \$7 million of the losses with efficiencies and gave the medical centers the responsibility for developing contingency plans to allow them to decide how the cuts might best be made. As a result, the performance standards must be re-adjusted because inpatient days, outpatient encounters, and available (staffed) beds are set much too low, given the current situation and will either be impossible to meet or very easy.

- <sup>3</sup> In order for average daily census to be meaningful, it must be understood in context. Actual daily census can be at or over 100 percent of staffed beds on some high-demand days, and additional beds (over the average daily census) have traditionally been kept available by all hospitals to deal with unanticipated demand.
- <sup>4</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.
- <sup>5</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.
- <sup>6</sup> This Existing Operating Budget Level figure is an estimate and not a standard that appeared under Act 10 for FY 1999-2000.
- <sup>7</sup> HCSD is working on providing this information and plans to submit an amendment to House Bill 1 to add this as a quality of care indicator.
- <sup>8</sup> There is great diversity in the level and volume of service provided at medical centers. There is a cost differential inherent in the proportion of primary (non-emergent outpatient care) and secondary services (inpatient services) provided by a hospital. Tertiary services, such as the advanced trauma services provided at MCLNO, add another level of costs that need to be factored in the comparison. Whether a hospital provided medical education must also be considered. These factors impact the cost per adjusted discharge and the number of employees per adjusted discharge. Each hospital in the HCSD system should be compared to groups in the nation which are as closely similar as possible in order to get a sense of how well each hospital is functioning.
- <sup>9</sup> Because the General Ledger staff have been diverted to implement PeopleSoft as quickly as possible, HCSD has been forced to discontinue the General Ledger accounting system for FY 2000 and probably most of FY 2001. HCSD will be unable, therefore, to provide actual "cost per adjusted discharge," but will be able to provide "operating expense per adjusted discharge" in La Pas reporting for those years. This figure will be technically different but substantively comparable to "cost per adjusted discharge."
- <sup>10</sup> The change from a 99% compliance to 100% compliance reflects a change in calculations. The 100% level reflects a pass/fail approach to certification.

GENERAL PERFORMANCE INFORMATION:					
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Percentage of gross revenue that is outpatient revenue (prior year)	Not available <sup>1</sup>	Not available <sup>1</sup>	Not available <sup>1</sup>	56.58%	53.29%
HCIA National Standard for cost per adjusted discharge (median)	4,099	4,337	4,477	Not available <sup>2</sup>	Not available <sup>2</sup>
HCIA National Personal services (salaries & benefits) cost as a percent of operating cost (median)	50.74%	50.74%	50.01%	Not available <sup>2</sup>	Not available <sup>2</sup>

<sup>1</sup> This information is not stored in the computerized financial accounting system, but is archived, if it still exists, on microfiche at the hospitals. Some hospitals were able to locate it and some were not.

<sup>2</sup> The 2000 Sourcebook, which will contain standards for 1998, has been published, but has not yet been received by HCSD.

2. (KEY) To enroll at least one-third of the eligible diagnosed diabetic, asthmatic, HIV+ and high risk congestive heart failure patients in the Health Care Services Division (HCSD) system into disease management protocols.

Strategic Link: *Implements strategic plan Goal 1 initiatives: To improve the effectiveness of health care delivery in the HCSD system by enhancing the preventive and primary care components.*

Explanatory Note: Eligible is defined as having the diagnosis and being compliant with the protocol; High risk congestive heart failure is characterized by admission to the hospital or emergency room with congestive heart failure in the past year.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Patients with covered diseases	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>3</sup>	1,543 <sup>4</sup>	1,591 <sup>5</sup>	1,591
K	Eligible diagnosed patients enrolled	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>3</sup>	386 <sup>4</sup>	531	531

<sup>1</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>2</sup> This is a new performance indicator to measure the new objective above. The HCSD (representatives of the medical and administrative sides of each medical center and the administrative office) is in the process of developing a new strategic plan which will more clearly reflect the core purposes and values of the Division. The focus expressed in the goals in the 1998-2002 (health care effectiveness with emphasis on preventive and primary care; integrated health delivery network with internal and external community partners; and improved management information systems and fiscal accountability) is unchanged, but emphasis in the objectives chosen has changed slightly.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

<sup>4</sup> This indicator is critically important to measuring the system's success in implementing the disease management initiative. However, eligibility for the initiative is currently calculated differently by each medical center. An important part of the reason for the new strategic plan is to systematize the hospitals, so that comparisons and, therefore, improvements based on sharing information can occur. One step in this process is to agree on and implement a definition for eligibility for disease management. This will take place in the fiscal year and correct eligibility figures will be available for the next Operational Plan.

<sup>5</sup> The patients with covered diseases estimate is based on computerized patient billing records which provide an unduplicated count of patients with targeted diseases seen in the hospital in 1998. This is currently an underestimate of the actual prevalence of these disorders in the patient population because: a) only patients who have been diagnosed with the disorder are reflected; and b) billing records reflect the treatment provided - not the medical history of the patient.

3. (SUPPORTING) To assess and take steps to ameliorate over utilized or non-existent services in the Washington-St. Tammany (WST) catchment area.

Strategic Link: *This objective reflects the incremental movement toward the achievement of the 1998-2002 Health Care Services Division Strategic Plan Goal 2 which is to implement initiatives to improve coordination with other segments of the Louisiana health care delivery system.*

Explanatory Note: Catchment area is defined as the parishes from which the majority of the hospital's patients are drawn. The parishes include St. Tammany and Washington.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Percentage completion of community needs assessment in the WST catchment area	Not applicable <sup>2</sup>	0%	Not applicable <sup>3</sup>	0% <sup>4</sup>	100%	100%
S	Number of collaborative agreements signed with other health care providers <sup>1</sup>	Not applicable <sup>2</sup>	13	Not applicable <sup>3</sup>	14 <sup>4</sup>	14	14

<sup>1</sup> Collaborative agreements have been defined as contracts, cooperative endeavors, or affiliation agreements with health care providers (i.e., hospitals, physicians, nurses, allied health providers or agencies) or health-related entities (i.e., schools, state agencies) outside the HCSD system.

<sup>2</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

<sup>4</sup> This Existing Operating Budget Level figure is an estimate and not a standard.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL	ACT 10	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1998-1999	1999- 2000	1999- 2000	2000 - 2001	2000 - 2001	OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	11,475,017	11,526,642	11,526,642	11,986,799	11,523,648	(2,994)
Fees & Self-gen. Revenues	642,746	659,388	659,388	659,388	659,388	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	2,372,831	2,393,263	2,393,263	2,393,263	2,393,263	0
TOTAL MEANS OF FINANCING	<b>\$14,490,594</b>	<b>\$14,579,293</b>	<b>\$14,579,293</b>	<b>\$15,039,450</b>	<b>\$14,576,299</b>	<b>(\$2,994)</b>
EXPENDITURES & REQUEST:						
Salaries	\$6,996,090	\$7,374,744	\$7,374,744	\$7,632,247	\$7,365,571	(\$9,173)
Other Compensation	116,624	20,000	20,000	20,000	20,000	0
Related Benefits	1,158,470	1,168,509	1,168,509	1,209,617	1,244,405	75,896
Total Operating Expenses	2,874,837	2,630,309	2,630,309	2,758,535	2,556,639	(73,670)
Professional Services	1,529,016	1,650,697	1,650,697	1,683,711	1,650,697	0
Total Other Charges	1,798,493	1,583,034	1,583,034	1,583,340	1,586,987	3,953
Total Acq. & Major Repairs	17,064	152,000	152,000	152,000	152,000	0
TOTAL EXPENDITURES AND REQUEST	<b>\$14,490,594</b>	<b>\$14,579,293</b>	<b>\$14,579,293</b>	<b>\$15,039,450</b>	<b>\$14,576,299</b>	<b>(\$2,994)</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	200	200	200	194	(6)
Unclassified	0	0	0	0	0	0
TOTAL	0	200	200	200	194	(6)

A supplementary recommendation of \$10.2 million, of which all is Uncompensated Care, is included in this program, including 466 positions. Funding is dependent upon renewal of the 3% suspension of the exemptions to the sales tax.

A supplementary recommendation of \$925,000, of which \$840,000 is Uncompensated Care and \$85,000 is claims from the Medically Needy Program, is included in the program. These items are contingent upon Revenue Sources in excess of the Official Revenue Estimating Conference Forecast subject to Legislative approval and recognition by Revenue Estimating Conference.

## SOURCE OF FUNDING

This program is funded with Interagency Transfers, Self-generated Revenue and Federal Funds. The Interagency Transfers represent Title XIX reimbursement from the Medical Vendor Payments program for services provided to Medicaid eligible and "free care" patients. The Self-generated Revenue represents insurance and self pay revenues for services provided to patients who are not eligible for "free care". The Federal Funds are derived from Title XVIII, Medicare payments for services provided to Medicare eligible patients.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$14,579,293	200	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
\$0	\$14,579,293	200	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$0	\$124,781	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$132,722	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$139,103)	0	Risk Management Adjustment
\$0	\$152,000	0	Acquisitions & Major Repairs
\$0	(\$152,000)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$188	0	Legislative Auditor Fees
\$0	(\$111)	0	UPS Fees
\$0	(\$45,627)	0	Salary Base Adjustment
\$0	(\$150,987)	0	Attrition Adjustment
\$0	(\$36,871)	(6)	Personnel Reductions
\$0	\$3,647	0	Civil Service Fees
\$0	\$105,827	0	Other Adjustments - Maintenance contracts on existing equipment
\$0	\$2,540	0	Other Adjustments - Increase transfer of Ryan White Federal Funds from OPH for HIV medications
\$0	\$14,576,299	194	<b>TOTAL RECOMMENDED</b>
\$0	(\$11,200,200)	(192)	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
\$0	\$3,376,099	2	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:</b>
\$0	\$10,275,200	192	A supplementary recommendation of \$10.2 million, of which all is Uncompensated Care, is included in the Total Recommended for Washington St. Tammany Regional Medical Center, including 192 positions
\$0	\$10,275,200	192	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>

\$0	\$925,000	0	SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE: A supplementary recommendation of \$925,000, of which \$840,000 is Uncompensated Care and \$85,000 is claims from the Medically Needy Program, is included in the Total Recommendation for Washington St. Tammany Regional Medical Center
<b>\$0</b>	<b>\$925,000</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$14,576,299</b>	<b>194</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 99.9% of the existing operating budget. It represents 68.5% of the total request (\$21,287,369) for this program. The overall decrease is a result of a reduction in risk management premiums. This decrease is offset by an increase in funding for maintenance contracts on existing equipment. The changes should have no significant impact on the delivery of services.

## PROFESSIONAL SERVICES

\$85,000	Jayagopal Appurao, MD for general surgery services
\$28,000	Vijaya Jayacaopal, MD for Anesthesiology services
\$150,000	Mitchell Massey, MD for Radiology services
\$21,000	Northshore EEG for electroencephalograph services
\$48,000	Parish Physical Therapy for Physical, Occupational, and Speech Therapy
\$283,537	Allen R. Singleton, MD for OB/GYN services
\$26,000	Urologic Surgery Association for Urology services
\$790,560	C & M Medical Services for emergency room physician services
\$41,600	Surgical Eye for Ophthalmology services
\$177,000	Heart and Vascular Clinic, APMC for Cardiology services
<b>\$1,650,697</b>	<b>TOTAL PROFESSIONAL SERVICES</b>



## OTHER CHARGES

\$10,035 Legislative Auditor expenses

**\$10,035 SUB-TOTAL OTHER CHARGES**

### **Interagency Transfers:**

\$1,501,523 Payments to Office of Mental Health for operation and management of the acute psychiatric unit

\$45,700 Payments to LSU Medical Center for Pathology services

\$12,045 Payments to the Office of Civil Service

\$6,040 Payments for Uniform Payroll System expenses

\$1,609 Payments for Comprehensive Public Training Program

**\$1,576,952 SUB-TOTAL INTERAGENCY TRANSFERS**

**\$1,586,987 TOTAL OTHER CHARGES**

## ACQUISITIONS AND MAJOR REPAIRS

\$152,000 Funding for replacement of inoperable and obsolete equipment

**\$152,000 TOTAL ACQUISITIONS AND MAJOR REPAIRS**